GOVERNMENT OF INDIA
SHIPPING, ROAD TRANSPORT AND HIGHWAYS
LOK SABHA

UNSTARRED QUESTION NO:221
ANSWERED ON:02.03.2005
SEAMEN`S PROVIDENT FUND SCAM
Karunakaran Shri P.

Will the Minister of SHIPPING, ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) whether the Government has taken remedial measures with regard to the alleged provident fund scam of Seafarers wherein they have lost their hard earned savings; and

(b) if so, the details thereof?

Answer

MINISTER OF SHIPPING, ROAD TRANSPORT AND HIGHWAYS (SHRI T.R. BAALU)

(a) Yes, Sir.

(b) The remedial steps taken are as under:-

(i) Resolution of 1996 authorising the Commissioner as the sole authority to do investment was rescinded.

(ii) A reputed firm of Chartered Accountants has been appointed as internal auditors who submit quarterly reports which are placed before Board meetings.

(iii) All available physical securities are required to be converted into Demat form.

(iv) A Finance Sub Committee has been constituted which considers investment proposals and makes recommendations which are placed before the Board meetings.

(v) Two authorized signatories in place of one i.e. Commissioner and any one Trustee, need to sign for all investments.

(vi) Quarterly Board Meetings are being convened, instead of two meetings in a year, as was done earlier

(vii) Appointment of IDBI Capital Services Ltd., is being appointed as Portfolio Manager on discretionary basis.